

Washington, DC— Last night, Congressman Joe Sestak (D-PA) voted for bipartisan legislation (H.R. 976) to reauthorize and strengthen the State Children's Health Insurance Program (SCHIP). This legislation, which reflected a House-Senate compromise, would provide health insurance for over 10 million low-income children across America through FY 2012. H.R. 976 passed by an overwhelming margin, 265-159, and will be sent to the President to be signed into law. — "It is essential to the health security of our nation that every child in America has adequate health care coverage," said Congressman Sestak. "With SCHIP set to expire on September 30, we must act now to protect affordable health care insurance coverage for the low-income children across America who participate in the SCHIP program, in addition to extending health care coverage to currently uninsured children in low and low-middle income families."

SCHIP is a national program, established with bipartisan support in 1997, that was created to address the growing number of children in the United States without health insurance coverage. It currently serves six million children nationally, including 133,000 children in Pennsylvania. Both the House and Senate have passed versions of the SCHIP Reauthorization, but the program will expire if the President does not sign this legislation into law.

"Two years ago, my daughter was diagnosed with a malignant brain tumor," said Congressman Sestak. "After brain surgery, she began chemotherapy in a cancer ward where her roommate was a two and half year old boy diagnosed with acute leukemia. My wife and I overheard social workers discussing over a period of six hours whether the boy could stay and receive treatment because he didn't have health insurance. I am very fortunate that this nation, through my military health care plan, saved my daughter's life. This was the reason I wanted to serve in Congress -to ensure every child, including that two and a half year old boy, would have that opportunity to live a healthy productive life. I strongly believe in SCHIP and in enhancing the program."

This SCHIP legislation represents a compromise, as this bill will extend eligibility to one million fewer children than the original House legislation (from around 5 million to 4 million).

Congressman Sestak promised that he will continue to fight for health insurance coverage for every child in America.

The bill that passed yesterday would increase funding for the program by seven times more than the \$5 billion increase proposed by President Bush. The additional resources would improve benefits for children by ensuring dental and mental health care coverage. In addition, this legislation would grant states the option of covering pregnant women and increasing SCHIP eligibility to age 21 to match Medicaid's age limit. However, the bill specifically states that individuals who are not legal residents may not receive coverage.

The SCHIP legislation also includes provisions to address concerns about the “crowd-out” effect, in which citizens drop their private insurance in favor of SCHIP coverage. Currently, around 70% of children who would be covered under SCHIP are enrolled in private health insurance. This bill would allow states to offer “premium assistance subsidies,” using SCHIP and Medicaid funds to subsidize enrollment in private health plans, to prevent this effect. The bill will also provide \$100 million for SCHIP outreach and enrollment. The majority of these funds will be directed towards rural areas with high rates of children who are not enrolled but are eligible for the program, as well as areas with minority populations facing health disparities and linguistic barriers to enrollment.

Congressman Sestak will also work towards ensuring that the Medicare provisions, which were cut from the bill during the compromise, will be included in the Senate version of the Children’s Health and Medicare Protection (CHAMP) Act. This legislation, which was passed by the House on August 1, included important provisions to strengthen Medicare by controlling out of pocket costs for seniors and ensuring that seniors have access to the doctors of their choice.

Additionally, the legislation would end massive overpayments to private health organizations like HMOs and make a series of preventative screenings free for Medicare beneficiaries. The Senate has committed to working on legislation in the near future. Some of the key provisions in the CHAMP Act are outlined below:

Medicare Preventive Benefits

All Medicare beneficiaries deserve access to affordable preventive services, which improve health and reduce long-term costs. The CHAMP Act provisions make Medicare’s preventive benefits more affordable by eliminating all co-payments and deductibles for these services. Such new free benefits under Medicare provided under the CHAMP Act included: diabetes screening tests, screening for glaucoma, an initial preventive physical examination, bone mass measurement, prostate cancer screening tests, colorectal cancer screening tests, mammography screening, and pap smear screening. The legislation also improves Medicare’s treatment and enhances preventive benefits for beneficiaries with mental illness.

Medicare Cost for Seniors

The CHAMP provisions would also help low-income beneficiaries access the health care they need. Many beneficiaries are struggling each month to pay for medical care, but are not currently eligible for the Medicare Savings Program or the Part D Low-Income Subsidy. The CHAMP Act would expand eligibility to these programs to help more seniors.

Health Disparities in Medicare

Medicare is supposed to provide the same benefits for every beneficiary, but racial and ethnic disparities still exist in the program. For example, in 2004, two-thirds of whites 65 years and older received flu vaccines compared with just 45 percent of African-Americans and 55 percent of Hispanics. The CHAMP Act would reduce disparities by requiring CMS to collect and report

new disparities data, improving outreach to populations with limited English proficiency and improving support for previously uninsured beneficiaries entering the program.

Medicare Physician Payment Reform

The CHAMP Act would stabilize physician reimbursement by eliminating the impending 2008 and 2009 fee cuts (projected to be -10.0 percent and -5.0 percent, respectively) and establishing a 0.5 percent increase in both 2008 and 2009. The bill would also lay the foundation for a future physician reimbursement system that promotes quality of care and maximizes efficiency.

Medicare Advantage Reform

The CHAMP Act included provisions to phase out Medicare Advantage overpayments over four years. This change extends Medicare solvency by three years and restores equity in Medicare premiums for all beneficiaries. This provision also improves consumer protections by developing a Federal/State system to regulate private plan marketing and other activities. In addition, it prohibits private plans from charging higher cost-sharing fees than fee-for-service Medicare.

Medicare Provider Payments and Additional Improvements

The CHAMP Act would take into account recommendations from the non-partisan Medicare Payment Advisory Commission and would adjust payments for a variety of institutional providers including skilled nursing facilities, home health agencies, rehabilitation facilities, long-term care hospitals, cancer hospitals and rural and small urban hospitals. This bill would also update Medicare coverage policy for a range of providers. Improvements include: continuing the therapy cap exceptions process and planning for an improved payment system; improving coverage for speech language pathologists, nurse midwives, marriage and family therapists, mental health counselors; and assuring access to clinical social workers for beneficiaries in nursing homes. In addition, it would prohibit physicians from referring patients to hospitals in which they have ownership.

Other provisions include establishing a comparative effectiveness program to provide the health information doctors and patients need to choose the best treatments, leading to better health outcomes and value nationwide. The CHAMP Act's Medicare provisions require the CMS to design a program to require adoption of an interoperable open source health information technology system for all Medicare providers.

Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in

Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.